



**Department of Commerce**  
Innovation is in our nature.

# **2010 Affordable Housing Advisory Board Annual Progress Report**

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Progress and next steps for the eight highest affordable housing priorities for Washington

**April 2011**  
Report to the Legislature  
Rogers Weed, Director

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# EXECUTIVE SUMMARY

## Background

The Washington State [Affordable Housing Advisory Board \(AHAB\)](#) advises the Washington State Department of Commerce (Commerce) on housing-related issues. The Governor appoints AHAB members representing a variety of interests related to affordable housing. The [Washington State Housing Finance Commission](#), [Department of Social and Health Services](#) (DSHS), and Commerce are represented by ex-officio members.

Commerce and AHAB are required by [RCW 43.185B.040](#) to prepare and update a [Five-Year Affordable Housing Advisory Plan](#). The purpose of the plan is to:

- Document the need for affordable housing in the state;
- Examine the extent to which that need is met through public and private sector programs;
- Facilitate planning to meet state affordable housing needs; and
- Enable the development of strategies and programs for affordable housing.

Commerce and AHAB are also required to submit an annual progress report detailing the extent to which the state's affordable housing needs were met during the preceding year and recommendations for meeting those needs. This report is a summary of the progress made on recommendations from the 2010-2015 plan.

The [Affordable Housing Inventory Report](#) provides an overview of all public affordable housing programs in the state mentioned in this report.

## 2010 Progress Summary

Affordable housing is important to the quality of life for individuals, families and communities. It is also important for a healthy economy. Affordable housing creates jobs, attracts investment, and it is a critical part of a sustainable community's infrastructure and economic development. With these considerations in mind, the Affordable Housing Advisory Board has chosen the top eight areas Washington can make the most difference in the next five years.

### **Affordable Housing Goals and Progress Highlights:**

#### **1) Decrease Homelessness**

This year Washington made progress in decreasing homelessness by changing institutional discharge practices that could result in homelessness, improving and integrating data systems, and identifying funding challenges and pursuing funding

solutions. [The Ten-Year Homeless Plan: 2010 Annual Report](#) provides detailed information on the status of homelessness and homeless programs in Washington.

## **2) Increase Homeownership Opportunities**

The Legislature created a new statewide foreclosure mediation program in 2011. The act requires lenders to notify borrowers of the availability of foreclosure counseling and mediation prior to foreclosure.

## **3) Increase the Supply, Decrease the Cost of Affordable Rental Housing**

Commerce and the city of Seattle continue to use funds from a MacArthur Foundation grant to enhance existing preservation programs and capital needs assessment strategies for nonprofit housing owners. Joint applications between large public low-income housing developers have helped reduce administration and increased access to affordable housing data in Washington.

## **4) Land Use and Infrastructure**

Engrossed House Bill 1398 (2011) brought affordable housing advocates and local governments together to pursue exemptions from impact fees for low-income housing.

## **5) Preserve Existing Affordable Housing**

Commerce worked closely with the Legislature to pursue changes that improve the state's ability to maintain the Housing Trust Fund portfolio and asset management practices. Washington also won \$10 million in competitive funds from the U.S. Department of Energy for low-income weatherization efforts.

## **6) Senior Housing**

The Housing Finance Commission refinanced senior housing facilities in Seattle, Shoreline, and Walla Walla.

## **7) Special Needs Supportive Housing**

Commerce and DSHS collaborated to promote permanent housing over short-term housing for individuals and families with long-term special needs.

## **8) Workforce Housing**

Snohomish County and the Puget Sound Regional Council achieved milestones that will help workers live closer to their jobs. The Housing Finance Commission supported ten workforce housing projects.

## 2010 GOAL PROGRESS

### **Goal Area 1: Decrease Homelessness**

Reduce homelessness 50 percent by 2015, equivalent to a reduction of homeless people, as measured by the annual one night count, from 21,692 in 2006 to 10,981 in 2015.

Although the [Ten-Year Homeless Plan: 2010 Annual Report](#) indicated that the number of homeless persons appears to unchanged statewide, the state trend hides significant changes at the local level. Improvements in data collection methods appear to be driving some of the changes, but some communities with stable data collection initiatives are showing more than 20 percent declines in homelessness that appear to be related to system reforms and housing creation.

**Goal** - Explore funding for short-term, shallow rent subsidies, such as a 90-day rental voucher program.

- **Progress** - Commerce continues to provide short-term rent subsidies in all of its homeless programs, and short-term rent subsidies will be a prominent piece in the [Consolidated Homeless Grant](#) scheduled to be implemented January 2012. [The Ten-Year Homeless Plan: 2010 Annual Report](#) indicated that 9,430 slots for short-term subsidized housing exists statewide, but that 1,568 more are needed.

Rent or housing subsidies help bridge affordability gaps so housing is accessible for those who do not have enough income to afford housing. Short-term subsidies help pay rent and utility arrearages for families who have received eviction or utility termination notices, helping prevent homelessness. Temporary subsidized housing lasts 30 days to two years, depending on need. Shallow rent subsidies help reduce rents below market levels. Deep rent subsidies set rents on a percentage of income, often 30 percent.

In 2011 [House Bill 2048](#) and [Senate Bill 5952](#) addressed the funding gap for local and state homeless programs and promoted access to smaller private rental units. The bills were the result of cooperation between housing advocates and rental property advocates. The bills did not pass, but they brought attention to sunset dates in document recording fees that currently fund state and local homeless programs.

**Goal** - Integrate services of the mainstream systems within the various state departments, including at least DSHS, Department of Veterans Affairs, and Department of Corrections (DOC) to support reductions in homelessness. These departments should coordinate their funding priorities and processes with Commerce to assure capital, operating, and services funding are aligned.

- **Progress** - DSHS and Commerce joined efforts to apply for and receive a competitive

federal Permanent Options for Recovery-Centered Housing (PORCH) grant. Commerce and local housing authorities provided housing assistance and leveraged \$3.6 million in federal funds to provide community-based housing and supportive mental health services to 150 people per year for five years.

**Goal** - Work with DOC and DSHS to end practices that discharge individuals from state institutions into homelessness. This includes people coming out of jails and prisons, state hospitals and residential treatment facilities, and foster homes. Once the recession has ended and revenues have stabilized, DSHS and DOC should work with counties and housing authorities to provide transitional supporting services and rent subsidies of sufficient length to limit the need for re-institutionalization.

- **Progress** - The [Consolidated Homeless Grant](#) will provide specific bonus funding to counties that make a commitment of resources to serving people exiting from state and local health and correctional institutions. Consolidated Homeless Grants combine state homeless resources into a single grant opportunity to county governments (and other designated entities) under the administration of Commerce. Consolidated Homeless Grants will support integrated systems of housing assistance that prevent homelessness and quickly re-house households who are unsheltered. These grants will distribute 23 million dollars across the state. Page 16 of [The Ten-Year Homeless Plan: 2010 Annual Report](#) provides a visual overview of the demand of homeless services statewide, outcome targets, and estimates of service gaps.

**Goal** - Implement a single set of definitions and data collection/reporting requirements so that housing status is regularly collected and reported on everyone receiving state funded services. Use the data to guide future policy and resource decisions.

- **Progress** - Commerce and DSHS combine homeless data from the [Homeless Management Information System \(HMIS\)](#) into a DSHS client database to better understand the interactions between service systems. Homeless status indicators from both systems are also combined to learn more about the extent of homelessness among those served. Soon data will also be matched with other state agencies client data systems.

To gain a better understanding of the needs and challenges faced by housing assistance clients who had received DSHS services, a [2010 DSHS report](#) used HMIS data to examine trends in social service use, publicly funded medical coverage, employment, and arrests in the five years leading up to and including the year in which the client received housing assistance.

- **Progress** - Implementation of statewide data matching was made possible by the involvement of the Interagency Council on Homelessness.

In 2006, Governor Gregoire established the Interagency Council on Homelessness to create greater levels of interagency coordination and to coordinate state and

local efforts to address homelessness. The committee includes Commerce, Corrections, DSHS, Veterans Affairs, the Department of Health, and the Office of Superintendent of Public Instruction.

**Goal** - Fully implement the HMIS and the use data collected to plan, evaluate, and make policy and resource decisions.

- **Progress** - Commerce, in partnership with local governments and community-based organizations, has implemented [Housing Management Information System \(HMIS\)](#) for all large organizations that contract with Commerce. HMIS is now focusing on improving data quality, using data to support performance-based contracting, and improving cross-system matching of HMIS with other state databases.

**Goal** - Use local dedicated document recording fee revenues to leverage other sources of funds to implement County Homeless Plans.

- **Progress** - This strategy is part of [House Bill 2048](#) and [Senate Bill 5952](#), which would increase local and state homeless program revenue collected from document recording surcharges. Neither bill passed in 2011. Housing advocates will continue to work on this goal in 2012. These bills would have increased the document recording surcharges that fund the Home Security Fund from the current level of \$30 to \$40 from August 1, 2011, through June 30, 2015; and increased the fee from the current law level of \$10 to \$30 from July 1, 2015, through June 30, 2017. Currently the surcharge is \$30 per recording and is scheduled to revert to \$10 in 2013. Counties retain 60 percent of the funds for low-income housing assistance, the remaining revenue funds homeless grant programs through the Home Security Fund administered by Commerce.

The 2013 expiration would lower county funds for homelessness by \$29 million a biennium and reduce state-funded homeless grants by approximately \$19 million in 2013-15. Federal funds for homelessness are already in decline, dropping from \$12 million in 2009-11 to \$9.7 million in 2011-13.

**Goal** - Update County Homeless Plans every two years to guide local policy and resource decisions and as a tool for education and advocacy about homelessness.

- **Progress** - Commerce is requiring counties receiving state funds to update their homeless plans at least every five years, which still meets state law. Resource reductions at the state and local levels preclude more frequent updates for many counties at this time, although many update more frequently.

**Goal** - Provide ongoing support for successful pilot projects, funded initially by state controlled document recording fees, that implement current best practice models and partnerships necessary to end homelessness.



- **Progress** - Beginning in 2006 Commerce's [Homeless Grant Assistance Program \(HGAP\)](#) tested new approaches to reducing homelessness using system integration. Commerce will transition available Homeless Grant Assistance funds into the new bonus-funding portion of the Consolidated Homeless Grant. The bonus funds can be used to continue Homeless Grant Assistance Program initiatives, and will propagate best practices learned across the state. HGAP has awarded over \$21 million since 2006 to support the creation of 2,600 additional beds in 20 counties across the state. In that time, over 8,000 individuals have been served.

**Goal** - Invest dedicated document recording fees in a timely manner, to assure they make an impact on reducing homelessness as quickly as possible.

- **Progress** - In the face of the unprecedented economic downturn recording fees have been carefully spent down to levels lower than normal in order to help address the surge in need for housing assistance.

**Goal** - Build community knowledge about homelessness and support for the housing and services necessary to end it.

- **Progress** - Commerce has updated the [10-Year Homeless Plan](#) annually as better data has become available in order to increase understanding of the size and scope of homelessness, and monitor efforts to reduce homelessness. The report includes an overview of homelessness in Washington and accomplishments, potential strategies, plans to serve people facing homelessness, and an inventory of housing statewide and by county.

**Goal** - Require coordinated assessment of housing and service needs for homeless individuals and families that rapidly places them in appropriate housing with the level of supporting services necessary to assist them to find permanent housing.

- **Progress** - Commerce is requiring communities to implement coordinated intake as part of the Consolidated Homeless Grant.

**Goal** - Provide regular feedback to the Interagency Council on Homelessness on how state policies, programs, and resources could better support local plans to end homelessness.

- **Progress** - Commerce annually collects feedback from local governments on improvements to state policies and programs in order to improve homeless reduction efforts. Suggestions for improvement are reviewed by the Interagency Council on Homelessness and shared with the appropriate agencies.

## **Goal Area 2: Increase Homeownership Activities**

Increase the number of first time homebuyers<sup>1</sup> assisted by state initiated programs to 5,000 households annually by 2015, once the recession has ended and state revenues stabilize.

**Goal** - Increase the allocation of private activity bond cap to the Housing Finance Commission to support homeownership programs.

- **Progress** - At the end of 2010, Commerce provided the Housing Finance Commission over \$600 million of carry-forward bond volume authority. In 2011, the Housing Finance Commission received an additional \$163 million of bond capacity for single-family housing.

The Housing Finance Commission used some of the additional bond capacity to fund the Mortgage Credit Certificate Program for private lenders with their own loan funds. The Mortgage Credit Certificate Program requires a 4:1 trade-in, requiring more volume capacity. The additional volume helped keep the First Mortgage Program viable and translated into 361 home purchases.

New Home for You and House Key Plus Foreclosure were created to assist homebuyers during the difficult credit market. The New Home for You Program helps builders reduce their inventory of new homes and provides a 3 percent interest rate to assist families purchase newly constructed homes. Since April 2010, 30 families have used this program. Since May 2009, House Key Plus Foreclosure has assisted 366 families to buy properties that are foreclosed, in foreclosure, or a short sale. House Key Plus Foreclosure also has a 3 percent interest rate.

**Goal** - Increase education and public service announcements for Housing Finance Commission approved or HUD certified pre-purchase and post-purchase/foreclosure prevention counseling programs.

- **Progress** - The Governor signed [House Bill 1362](#), which creates a new foreclosure mediation program within Commerce and requires lenders to notify borrowers of counseling and mediation options prior to foreclosure. The passage of the bill will increase visibility for HUD and state foreclosure and foreclosure prevention counseling programs. The new program will take advantage of existing financial counseling programs coordinated by the Housing Finance Commission.

The new program requires that before homeowners receive a notice of default they are offered the option to attend a mediation with a representative of their

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<sup>1</sup> “First time homebuyer” includes households who have not owned a home for three or more years.

lender. A neutral, third-party mediator will work with the homeowner and lender to reach a fair, voluntary and negotiated agreement. If a homeowner is found to be not acting in good faith, the foreclosure proceedings may proceed. If a lender or servicer is found to be not acting in good faith, the homeowner may attempt to stop the foreclosure by going to court, or may report that finding to the Washington Attorney General's Office for possible violation of the Washington Consumer Protection Act. Commerce estimated that this program would apply to 40,000 foreclosures in state fiscal year 2012.

In July, the Washington State Department of Commerce trained over 200 mediators which will ensure approved mediators throughout the state. As of August 22, 2011 (one month after the program started) Commerce had received 220 referrals to mediation. About 43 percent of these are from King County and 22 percent are from Snohomish County. Mediators are required to report mediation results to Commerce within seven days of the meeting. Commerce will report on the Foreclosure Fairness Program annually.

### **Goal Area 3: Increase Supply, Decrease Cost of Affordable Rental Housing**

Not all of our five-year goals are reporting progress in this report. Future annual updates will include progress on AHABs other five-year goals.

Reduce the number of rent-burdened households by 5 percent (7,500 households) by 2015 (Rent-burdened means households paying more than 30 percent of their income toward rent). The [2010 Bringing Washington Home Affordable Housing Report](#) indicated that 47 percent of households were rent-burdened in our state last year.

Maintain current production levels of rental housing through state initiated programs that are affordable to people making below 50 percent of area median income by 2015. Production levels refer to the amount of rental housing built or acquired during the year. The production level is dependent on capital appropriations from the legislature. Because of decreases in the 2011-13 Capital Budget (down to \$50 million), production will not maintain AHAB goals, set based on an appropriation of \$200 million. Housing Trust Fund appropriations had been steadily increasing 1989 until reaching \$200 million in 2007-09. The 2011-13 appropriation sets the Trust Fund back to 1995 funding levels.

Preserve 100 percent of existing housing in state initiated programs that offer safe, decent, and affordable homes to households earning less than 50 percent area median income.

Ensure that the development costs of affordable rental housing are reasonable and responsible while continuing to meet public benefit policies and quality standards. Reasonable and responsible rents are defined by each agency using methods like HUD rent limits. Rents are monitored through file review and on-site inspections.

**Goal** - Assure that Housing Trust Fund investments are made to sustainable organizations serving targeted populations and communities.

- **Progress** - Commerce conducts formal organizational reviews and awards funds to organizations that have the capacity to develop and manage the project. Commerce works to serve both urban and rural areas of the state as well as serving target populations. Developers are assessed prior to receiving an award and reassessed when requesting changes or modifications to their contract. Award information for past rounds of the Trust Fund is [posted online](#).

**Goal** - Provide technical assistance to build the capacity of nonprofit developers/owners to effectively operate and maintain their properties for the life of their regulatory commitments.

- **Progress** - The MacArthur Foundation grant has provided funds to help non-profits build capacity in the asset management of their organizations. The results

and findings of these grants are shared and formal trainings are provided statewide. Jointly, the Housing Trust Fund and City of Seattle Office of Housing are providing 10 to 15 grants to nonprofit owners. The in-depth analyses may include a review of an organization's financial structures and budgets, a capital needs assessment of its properties, and assessment of its management practices and information systems. The results of the analyses will generate specific portfolio recapitalization plans, which will include financing strategies, operating improvements, and technical assistance to implement these plans. The initial group of nonprofit owners will serve as a demonstration project that will help the Housing Trust Fund and the City of Seattle Office of Housing determine best ways to provide similar services and technical assistance to other affordable housing providers. The lessons learned through these grants are shared at the statewide Housing Washington Conference in September.

**Goal** - Increase the state's commitment to green/sustainable housing development by providing training and technical assistance to assist project sponsors, designers, and builders to meet the Evergreen Sustainable Development Standards.

- **Progress** - Commerce has ensured it has a qualified staff person dedicated to providing technical support related to [Evergreen Sustainable Development Standards](#). Staff is currently working with a team of stakeholders with technical expertise in sustainable development to update the standards. Informational materials are also being revised to make them more user-friendly.

The Evergreen Sustainable Development Standards were created in 2008 to meet the [Legislature's requirement](#) to enhance durability, safety, and increase energy and water efficiency. Nearly all Housing Trust Fund projects since July 2008 comply. In all, nearly 100 projects are under contract or under development meet the Evergreen Sustainable Development Standards.

- **Progress** - All multifamily projects financed by the Housing Finance Commission are required to meet the Evergreen Sustainable Development Standards or a comparable sustainable development standard. Presently, King County Housing Finance Program, City of Seattle Office of Housing and the Washington State Housing Finance Commission Low-Income Housing Tax Credit program all independently require that projects comply with ESDS. Representatives from all three offices participated in the technical advisory committee to revise the Standard, ESDS 2.0.

**Goal** - Support the purchase, preservation and/or replacement of manufactured home communities serving primarily low-income households.

- **Progress** - The Rapid Response Program administered under contract by the Housing Finance Commission has successfully preserved manufactured home communities serving primarily low-income households. The intent of this

program is to position eligible organizations to quickly respond to market conditions that could result in the loss of affordable housing. Properties must be located in rapidly gentrifying or redeveloping areas, or in communities with a significant low-income population that is threatened with displacement by such gentrification in order to qualify for this assistance.

**Goal** - Eliminate the Growth Management Act requirement for local jurisdictions to identify alternative funding sources when fees are waived for affordable housing development.

- **Progress** - This strategy is part of House Bill 1398, a bill creating an exemption from impact fees for low-income housing. The bill did not pass this year but advocates plan on pursuing this goal in 2012. This bill would remove the requirement that cities and counties pay impact fees when low-income housing development is provided a fee exemption.

**Goal** - Support alternative ownership models which enhance affordability such as community land trusts, cooperatives and mutual housing projects.

- **Progress** - Numerous projects utilizing the community land trust concept are supported through Commerce's Housing Trust Fund.
- **Progress** - The Rapid Response Program has successfully been used to support community land trust efforts.

**Goal** - Coordinate and simplify the state funding process with other state wide, county and local funding processes.

- **Progress** - Commerce coordinates with other public funders and has developed a joint application with the Washington State Housing Finance Commission, Seattle Office of Housing, and King County to simplify the application process. The electronic joint application process allows organizations to saving time and resources in filling out a common application for multiple funders. This saving in time and resources can then be used to improve or provide additional services to those in need.

## **Goal Area 4: Land-Use/Infrastructure**

Minimize the impacts of land use, regulatory, and infrastructure costs on housing development, and create incentives to assist jurisdictions to meet affordable housing goals in comprehensive plans.

**Goal** - Eliminate the "replacement rule" that requires counties and cities to pay from public funds for low-income housing impact fee exemptions as currently required by [RCW 82.02.060\(2\)](#).

- **Progress** - [House Bill 1398](#) creates awareness with the Legislature of the need for an exemption from impact fees for low-income housing. Housing advocates made progress on this goal even though the bill did not pass in 2011.

## **Goal Area 5: Preserve Existing Affordable Housing**

Not all of our five-year goals are reporting progress in this report. Future annual updates will include progress on AHABs other five-year goals.

Preserve all units of multifamily affordable housing within the Housing Trust Fund portfolio.

Acquire 2,000 units of existing, affordable unsubsidized housing to expand the Housing Trust Fund portfolio by 2015.

Maximize U.S. Department of Energy Recovery Act funding to weatherize 7,000 units of housing by the end of 2011.

Encourage community action agencies to focus more effort on multifamily buildings to take advantage of economies of scale.

**Goal** - Improve portfolio management practices so that existing housing in Washington State can maintain affordability for as long as possible.

- **Progress** - Portfolio management practices are being improved daily in a number of ways, from implementing asset management best practices to consistent coordination with other funding sources when conducting workouts, the renegotiation of contract loan terms. [Trust Fund Guidelines and Procedures are available online](#). The Housing Trust Fund has also adopted a more focused portfolio approach to program management, with staff having responsibility for specific organizations with multiple projects in the portfolio. Additional information on [Trust Fund applications and awards, including location and populations served, is available online](#).

**Goal** - The Housing Trust Fund should share the knowledge gained from the MacArthur Grant through technical assistance to affordable housing developers and contractors to improve their asset management practices.

- **Progress** – The Housing Trust Fund is sharing the tools developed by the organizations funded through the MacArthur Grants by providing training across the state on Portfolio Preservation Plans and asset management best practices. The tools and best practices developed through the grants and training will be available for all affordable housing developers in the state. Contractors are not required to apply those practices, but the best practices may influence Trust Fund guidelines in the future.

**Goal** - Commerce should pursue legislation or budget strategies that increase the capacity of the Housing Trust Fund's portfolio management program in proportion to the growing portfolio. Best practices indicate that the ideal ratio would be one asset manager for every 50 projects, but the first goal will be to have one asset manager per 100 projects. Commerce should investigate how to increase operational support to projects serving extremely low-income households so that the projects remain financially viable for the life of their regulatory period.

- **Progress** - In 2010 and 2011, the Housing Trust Fund submitted legislation to change the mechanism for funding the administration of portfolio management activities. Commerce worked with the Legislature to add a new funding mechanism for portfolio management to the 2011-13 Operating Budget. Application, distribution, and project development activities are now funded by a smaller percentage of annual appropriations (reduced from 5 percent to 3 percent). Compliance and monitoring activities were limited to a quarter of a percent of the contracted total of the Housing Trust Fund portfolio. This percentage is based on national portfolio management best practices.

**Goal** - Adequately fund the asset management function of the Housing Trust Fund managed by Commerce.

- **Progress** - Commerce worked with the Legislature to add a new funding mechanism for asset management in the 2011-13 Operating Budget.

Next year Commerce will continue to support [House Bill 1699](#), which will codify the changes made in the 2011-13 Operating Budget. The bill changes the mechanism for determining the Housing Trust Fund budget appropriation authority so existing Commerce monitoring activities can continue when new capital appropriations are low. The bill ties compliance and monitoring activities to .5 percent of the Housing Trust Fund portfolio and ties application, distribution, and project development activities to 3 percent of the new annual funds available. Currently funding for Housing Trust Fund operations are tied solely to new appropriations, not the growing portfolio.



**Goal** - Commerce should work with Labor and Industries to provide technical assistance to community action agencies in order to streamline the documentation process and get projects off the ground more quickly.

- **Progress** - Commerce successfully collaborated with Labor and Industries to establish a system to batch multiple projects into one filing at the beginning and end of the project. Weatherization projects receiving funding through the state can now use a streamlined process with Labor and Industries. Previously, weatherization contractors had to pay a \$40 filing fee per unit weatherized and a \$40 affidavit attesting that they paid prevailing wages. Under the bundling process a contractor can bundle up to 20 units and submit one intent and one Affidavit. This change reduced charges from \$1600 to \$80. The contractor's administrative costs may also be reduced as a result of this change.

**Goal** - If production catches up and meets expectations, Commerce should position itself to compete for additional federal grants to weatherize even more low-income housing.

- **Progress** - Commerce surpassed their Recovery Act production goals by funding weatherization for 3,000 units to date. In 2010, Commerce won additional funds from the U.S. Department of Energy for two new weatherization grants totaling \$10 million. Eligibility criteria for those additional funds included meeting Recovery Act production and expenditure benchmarks. Lead hazard removal is another aspect of affordable housing preservation. In 2011 and 2012, Commerce will apply for Department of Energy Innovation Grant and U.S. Department of Housing and Urban Development lead hazard control funding.

## **Goal Area 6: Senior Housing**

Ensure that all seniors have access to age appropriate housing and services through each stage of the aging process.

**Goal** - Identify the differences between providing housing and services in rural vs. urban areas. Adapt programs and regulations to account for these differences.

- **Progress** - The Washington State Housing Finance Commission refinanced three senior facilities to bring cost savings to existing senior housing, assisted living, and nursing beds located in Seattle, Shoreline, and Walla Walla. The projects contain a total of 186 independent units, 126 assisted living units, and 343 nursing beds. Funds from the bonds were also used to rehabilitate portions of two existing senior communities affecting 356 independent living units and 47 assisted living units.

## **Goal Area 7: Special Needs Supportive Housing**

Increase the proportion of special needs housing units funded by the Housing Trust Fund by 10 percent over the next five years.

**Goal** - Create new project designs with the developmental disabilities community to balance the desire to limit clustering of units with the desire to develop and operate cost effectively.

- **Progress** - The Housing Trust Fund coordinates with DSHS and has promoted permanent housing over short-term transitional housing. Commerce will continue to support best practices as they are identified. Between 2004 and 2010 the Housing Trust Fund expended \$16 million to build units specifically for individuals with developmental disabilities, resulting in nearly 400 specialized units.

## **Goal Area 8: Workforce Housing**

Provide housing options for low and moderate-income workers within a reasonable distance to their jobs.

**Goal** - Create incentives for developers to build mixed-income housing (such as property tax abatement for workforce housing even located in smaller cities and unincorporated areas).

- **Progress** - In 2010, Snohomish County adopted an urban centers code that provides density incentives to include lower income housing. The centers under county jurisdiction are currently all in unincorporated areas, although likely to be annexed within ten years.

**Goal** - Coordinate increased density with transportation plans and transportation stations.

- **Progress** - The Puget Sound Regional Council made progress toward this goal in the adoption of their [Transportation 2040 Plan](#). Implementation is occurring in Puget Sound cities and counties through the regional centers strategy.

**Goal** - Create local funding sources to finance workforce housing (such as enabling legislation for broader use of property tax breaks and coordinating jurisdictional capital plans to address infrastructure needs related to workforce housing development).

- **Progress** - In 2010 Washington Works authorized \$25 million to the Housing Finance Commission to complete ten allocations and bond reservations for workforce housing projects. Washington Works funds are for nonprofit housing organizations or governments. Project sponsors will have 75-year regulatory agreements, must remain in nonprofit or governmental ownership, and will have rent controls to ensure that the properties will be maintained for working households.

Three Washington Works projects have closed resulting in the acquisition and rehabilitation of 114 work force housing units located in Centralia, Seattle, and Spokane. The seven remaining projects will be closing by June 2011. They will produce 346 new construction units in Ephrata, Mount Vernon, Quincy, Pullman, Seattle, Spokane, and Tumwater.